

opment Financing Authority; and the Maryland Small Business Development Financing Authority.

### COMMUNITY FINANCING GROUP

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The Community Financing Group started in April 1991. It consists of the Maryland Industrial and Commercial Redevelopment Fund, the Maryland Industrial Land Act Program, and the Community Development Block Grant Program.

The *Maryland Industrial and Commercial Redevelopment Fund (MICRF)* began operations in 1980. To support local commercial or industrial redevelopment efforts, the Fund administers State loans, grants, and loan guarantees to local governments.

Fund money is used to encourage private investment in industrial and commercial redevelopment projects that retain or create jobs and increase tax revenues. MICRF funds may be used directly by a local jurisdiction, or passed through to a third party committed to carrying out the project (Code 1957, Art. 83A, secs. 5-801 through 5-807).

The *Maryland Industrial Land Act (MILA) Program* started in 1972 (Chapter 360, Acts of 1972). The intent of the Program is to ensure appropriate sites for industry throughout the State. The Program may acquire and preserve such sites for the State in partnership with local governments (Code 1957, Art. 83A, secs. 5-701 through 5-715).

Annually, Maryland receives federal funds for the *Community Development Block Grant Program* administered by the Department of Housing and Community Development. A portion of those funds is set aside to provide loans and grants to municipalities for economic development with an industrial or commercial focus. That set-aside amount is overseen by the Community Financing Group.

### DAY-CARE FINANCING PROGRAMS

Joan Y. Casc, *Director*  
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Formed in 1988, Day-Care Financing Programs administers three funds to expand quality day care in Maryland and aid day-care developers and employers. The financing funds assist small business owners.

The *Day-Care Facilities Loan Guarantee Fund* was organized in 1983 to help small businesses providing day care (Chapter 585, Acts of 1983). The Fund guarantees up to 80 percent of loans by a bank or private lender. It is available to day-care centers for infants, toddlers, and preschool-age children, as well as elderly and medically handicapped adults. Loans can be used for the purchase of land, equipment, and supplies; renovation; building construction; and working capital (Code 1957, Art. 83A, secs. 6-101 through 6-113).

The *Child-Care Facilities Direct Loan Fund* was formed in 1988 (Chapter 248, Acts of 1988). To day-care providers, the Fund lends up to 50 percent of the cost of construction, renovation, or acquisition of real property. It may not be used to finance the purchase of equipment and supplies. Neither may it be used as working capital, nor to refinance existing liens. For in-home day care, a minimum amount of \$15,000 may be borrowed from the Fund (Code 1957, Art. 83A, secs. 6-201 through 6-213).

The *Child-Care Special Loan Fund* began in 1992 (Chapter 50, Acts of 1992). The Fund lends child-care providers from \$1,000 to \$10,000 to expand or improve their facilities, meet State and local licensing requirements, and improve the quality of care (Code 1957, Art. 83A, secs. 6-301 through 6-312).

### DAY-CARE FACILITIES FINANCING COMMITTEE

Denise Kerley, *Chair*, 1997  
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The Day-Care Facilities Financing Committee was created in 1988. The Committee reviews and approves applications for funding under the Day-Care Facilities Loan Guarantee Fund and the Child-Care Facilities Direct Loan Fund.

The Committee has seven members. Six are appointed to three-year terms by the Secretary of Business and Economic Development. One serves ex officio.

### INVESTMENT FINANCING GROUP

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The Investment Financing Group was organized in 1995. The Group provides for direct investment in Maryland companies through three programs: Challenge Investment; Enterprise Investment; and Maryland Venture Capital Trust.

The *Challenge Investment Program* may invest \$50,000 as "seed money" in a technology-driven Maryland company. Matched with \$50,000 from a co-investor, the Program provides a new business with \$100,000 in capital. The investment is to be repaid over a ten-year period. Annually, the Program invests \$500,000, making five \$50,000 investments, every six months.

The *Enterprise Investment Fund* was created in late 1993. The Fund enables the Department to make direct equity investments in "second-stage" technology-driven businesses in Maryland. Investments range from \$150,000 to \$250,000. The decision to invest is based on the potential return, the range of economic development, and the number of jobs that will be created. Requiring a three-to-one co-investor match, the Fund expects to make five to six investments annually.

The *Maryland Venture Capital Trust* also is administered by the Department through the Investment Financing Group.